



# in park

MAGAZINE

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**INSIDE:**  
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I absolutely LOVE New Orleans. There's so much to love: the people, the food, the music, the culture, the nightlife, the architecture, the history...I could go on and on. But what notably isn't in that list of things to love about New Orleans is "waterparks." They just don't seem to register on the radar in the Big Easy. That leads me to one of the things



I love about WWA (World Waterpark Association). They are willing to support a city, a community and a people that have done so much to contribute to the tourism industry that we all rely on for our livelihood – even though it's not a waterpark town.

WWA also knows how to produce a good trade show. From a vendor's perspective, the tightened show hours, care in not having too many competing events, and the attraction of having lunch and beverages available on the show floor makes for a successful event.

Here at home, we've been enhancing our digital offerings at inparkmagazine.com. In addition to the web version of the magazine, and daily news stories, we are posting more content directly to our website. Even if you subscribe to the magazine, you still need to check the website for timely interviews, industry reports, and attraction reviews. While some of that content does make its way into the print magazine, a lot of it is only available online. A great way to keep on top of it is to join our Facebook page, LinkedIn group, and follow inparkmagazine on Twitter. We even have a YouTube channel, with a few embarrassing videos of yours truly.

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# waterpark news

ISTANBUL, TURKEY - Aqua Splash Waterpark, part of Marineland Espace, located on the French Riviera near Antibes, Juan Les Pins, France added a signature waterslide and a new kids water play ground. The expansion was completed in April 2011 and the park opened on June 11th.

Polin supplied a signature ride, Hybrid Dragero waterslide, and kids' water play area which is rich in kid-focused water play features. The new kids water play area hosts an Octopus Slide, Mini Pirate Slide, Cobra Slide, Penguin Shower, Giraffe Shower, Mini Octopus Slide and an Obstacle Track, which is a new game by Polin to increase activity in the pool area.

The new head-first mat racer ride with a dynamic multi-color combination, Hybrid Dragero is 150 meter long and is especially designed for Aquasplash. It is a sophisticated, thrilling, high-capacity waterslide starting with three high speed multiracer lanes that feature a big drop, an uphill ride route and transforming into enclosed aqua tube slides and ending in an aqua catch.

The park managers add that due to the new additions, the guest numbers increased 15-18% compared to the same period of time last year in spite of rainy weather conditions.



RICHMOND, BC - WhiteWater is pleased to highlight its third Family Python™ installation this season. Boulder Beach Waterpark, within Idaho's Silverwood Theme Park, has undergone its third expansion, featuring the new Family Python™.

"Ricochet Rapids" is a fully-enclosed 737 foot (225 meter) long Family Python™ which also offers a colossal 20 foot (6.1 meter) MEGAtube™ section, swallowing riders whole into its depths! This attraction 'ricochets' 5 or 6 person family rafts back and forth with adrenaline-pumping turns and oscillations, down a 40 foot (12.2 meter) hill.

WhiteWater is pleased to have designed, engineered, manufactured and installed this Family Python™ attraction and a number of other signature attractions during its long-standing relationship with Boulder Beach and Silverwood Theme Park. This family raft ride joins other WhiteWater attractions including an AquaPlay RainFortress™, Family Raft Ride, high thrill slides and more.

CESME, TURKEY - Ilica Spa and wellness Resort in Cesme, Turkey has just opened Aquatoy City, a new waterpark addition to the facility. Situated on the crystal blue Aegean Sea, not far from the main city of Izmir, the area is a popular resort town and favored for weekend escapes from the busy city.

The project includes a central restaurant and spa facility, new waterslide complex, leisure pool, lazy river and childrens water playground - allowing the hotel to offer a wider array of attractions.

The kid's area hosts a new array of fun water play features from Empex Watertoys® which have been combined into a dynamic water playground called AQUACIRCUS®.

Empex has created a new line of interactive watertoys under the trademark Aquanetics™, where kids can turn a hand wheel and produce different sprays, water flows, and kinetic effects such as turning pelton wheels, spinners, gears and pinwheels to create an effect of water motion. Aquawizz™, Aquanoodle™, Aquaswirl™ and Aquamill™ are four new structures in the Aquanetic line.

Incorporating several Aquanetic structures in a new expanded curvilinear Aquadek, Empex created their latest concept, the Aquacircus®. This is a climb and slide structure which provides a myriad of different slide experiences and 45 creative interactive activities. Complete with Aquaclunes™ (spray clowns), Aquajetz™, interactive Watertoys® and Aquatons® spray features around the structure, the resulting visual is as much fun for the spectators as it is for the participants.



RICHMOND, BC - WhiteWater, a global leader in waterpark design, engineering, manufacturing and installation, announced two new projects in Egypt's most popular tourist destinations. These new waterparks - on opposite sides of the world-renowned Red Sea - were designed by WhiteWater, and will feature a range of thrilling attractions for guests of all ages.

Coral Sea Splash Resort in Sharm El Sheikh will be home to the newest and most prestigious waterpark resort in the fashionable Nabq area on the Red Sea. Open this past weekend, the waterpark entertains guests with a Boomerango™ and SuperBowl waterslide complex, 3-lane Whizzard™ mat racer, AquaPlay™ AP1050 multi-level interactive structure, a Family Wave pool, toddler spray area, and most exciting for WhiteWater - WhiteWater's first FlowRider® stationary sheet surf ride installation! The FlowRider® area will also feature a host of food and beverage concessions to keep spectators highly entertained.

"WhiteWater is helping us build the best amusement facilities in the area with their inspiring design services and great attractions," says Ahmed Al Wassief, Managing Director of Wings Group for Tourism Investment, owner of the Coral Sea management company. "Their experience and creativity is truly unmatched in the industry."

Anticipated to open this summer 80 kilometers across the Red Sea in Hurghada, will be Makadi Palace, also designed, manufactured and installed by WhiteWater. Featuring a FlowRider®, a Family Wave pool and 4 Inner-Tube waterslides, Makadi Palace will also be home to Egypt's first custom pirate-themed AquaPlay RainFortress™ surrounded by AquaSpray™ activity elements and an AquaTune water-based interactive musical instrument. The Middle East's first AquaLoop™, the only fully inverted looping waterslide, will also be unveiled at Makadi Palace.



WEST PALM BEACH, FL - Rapids Water Park in West Palm Beach, FL is now home to the World's first ProSlide KrakenRACER™, which has been met with great accolade from both the park and their guests. The ProSlide KrakenRACER™ is the latest evolution of the Award Winning ProSlide ProRACER™, which since its debut has taken home IAAPA Best New Water Ride and now, has hundreds of racing lanes installed world-wide.

The patented ProSlide KrakenRACER™, with its fast dispatch and high capacity, starts 'racers' head first through enclosed, braided, twisting tunnels where they experience accelerating drops and twists before they speed towards the open racing lanes for one last stomach-dropping plunge and the chance of first place.

"The ProSlide KrakenRACER™ is a great example of ProSlide's relentless dedication to product development and innovation! It shows our commitment to our customers to continuously produce inventive designs and revolutionize what the definition of a 'racer' style Water Ride is," says Rick Hunter, President & CEO of ProSlide Technology.

Rapids Water Park chose the KrakenRACER™ in a 6 lane configuration but it is also available in other multi-lane footprints - 2, 4, 8 and 10 lane configurations. The ProSlide KrakenRACER™ joins Rapids Water Park alongside a wide array of other must-have ProSlide Water Rides including: TORNADO™60, DarkTORNADO™45, CannonBOWL™, ProBOWL™, MAMMOTHBubba™, DarkMAMMOTH™, PIPELINES™, TWISTERS™ and a KIDZ™ zone!



ISTANBUL, TURKEY - POLIN Waterparks and Pool Systems announced the debut of its new King Cobra ride at Cobra Kingdom Waterpark at Maxx Royal, Antalya, Turkey. Cobra Kingdom Waterpark opened on June 2011.

King Cobra offers not only an intense and heart pounding experience to its riders, but also a stunning design and a one of a kind of visual to its spectators. The core feature of King Cobra is its unique configuration that enables two double tubes to race through a circular path with twists, turns, and surprises before experiencing the drop of their lives as they continue to race in the valley of the Cobra. This epic plunge is 8 meters down and allows the rider to accelerate to a speed of 51 km/h. Ugur Degirmenci, Project Engineer, Polin adds: "It does not end. The two double tubes are now heading into the mouth of Cobra. Unique fog, high-pitched hiss, water spraying, visual effects make it more exciting than ever while the spectators below think you are just "swallowed" in the mouth of the Cobra. Then powerful G-forces take over your tube and riders come back down and then oscillate up and down again as the tubes stop on down the waterslide. You come to the end of this unique riding experience. The new waterslide is both visually and in terms of riding experience just breathtaking."

CHICAGO, IL - CENTAMAN Entrance Control, provider of intelligent entrance control solutions, today announced it has launched a new web site which provides customers, prospects, and security industry practitioners a new way to interact with the company. The modern design, simple navigation, and rich multi-media product resources assist those seeking lobby security or outdoor security solutions.

Visitors to [www.entrancecontrol.com.au](http://www.entrancecontrol.com.au) will find a dramatically different web presence. The new site provides extensive photo galleries to help architects and end users better envision turnstiles solutions for their building lobbies. Many fast-streaming videos are also available to demonstrate product options to assist prospective customers. Product brochures are available for downloads and there is also an applications section which highlights the product offerings that suit certain applications the best.

"Nowadays, when people are looking to source new products the internet plays a vital role. People typically start their search online and as such an easy to use and information rich web solution is vital to allow people to gain a clear understanding of what solutions CENTAMAN Entrance Control can provide for them" says Michael Bystram manager of CENTAMAN's Entrance Control Division "Our new web page covers off our complete range including external perimeter full height turnstiles, high end speedgates for office reception buildings and ½ height turnstiles for leisure and fitness applications. Click on [www.entrancecontrol.com.au](http://www.entrancecontrol.com.au) to find out more."



BEIJING, CHINA - The Beijing Happy Magic Waterpark located in the Fengtai District of Beijing, China has recently opened with some of the most unique and innovative water ride complexes in the world which entertains a huge amount of guests daily, up to 35,000! This Waterpark has the largest amount of water rides built in 2011 and has been touted as the World's Largest Waterpark, with all major rides and complexes by ProSlide Technology.

ProSlide provided Beijing Happy Magic Waterpark with 7 major ride complexes, thirty-five water rides and the world's largest RideHOUSE active Ride n' Spray structure - boasting 12 slides, over 65 active water play features, a 400-gallon dumping bucket and over 150 themed sculptures and features.

Beijing Happy Magic Waterpark has the World's First TornadoWAVE, the next evolution of ProSlide's thrilling line-up of extreme water rides. With a 45 degree drop in and near vertical hang time the TornadoWAVE creates a unique sweeping weightlessness sensation. This complex is even more impressive with the addition of the IAAPA Best New Waterpark Ride and Industry Impact Award winning BehemothBOWL!

In total ProSlide built a triple funnel TantrumALLEY, the iconic TORNADO, a MACH 4 complex, BehemothBOWL, Duelling CannonBOWLS, OctopusRACER, TornadoWAVE, a SpeedZone complex with FreeFALL, Turbo TUNNEL and a MultiBUMP, as well as a KIDZ Zone and a RideHOUSE!

# tightening grip

wet n wild phoenix adds constrictor to their growing park

by Martin Palicki

Although InPark reported on the opening of Wet n Wild Phoenix in 2009, I had never visited the park that had torn down and rebuilt Waterworld. Located about 20 minutes north of downtown Phoenix, the park appears as an oasis, rising up out of the ground, peeking out from behind nearby foothills.

I met with Trevor Wilson, an industry veteran who worked his way through Paramount's Great America, Knott's Berry Farm and others. The park was extremely crowded. As Trevor took me on a tour thousands of teenagers and families scurried around from attraction to attraction, nearly all of which are stars in their own right.

Aside from the wave pool and lazy river that were rehabbed from Waterworld, every attraction is new. The majority of slides are from Whitewater West – including the dueling Master Blaster water coasters. A ProSlide Tornado also rounds out the collection.

What I'm really here for, of course, is the brand new Constrictor slide, a Whitewater West prototype tube slide for one or two riders.

The enclosed slide features a brightly colored variegated pattern, seemingly inspired by its namesake serpent and similarly coiled. The slide's unique feature is the series of tight-radius turns that repeat one after the other, separated only by



Constrictor is a prototype slide from Whitewater West that features tight turns in a quick ride that thrills guests. Photo by Martin Palicki.



short straight sections. From the outside they appear like small bowls on the slide, slightly larger than the connecting pieces, but the experience they provide is different from a traditional bowl. Upon entering the tight turns, the raft speeds up and is pushed up higher on the wall. The sensation is unexpected and, as one slider put it, "tickles the tummy."

Although the slide is short, it packs a punch and keeps people cycling through the attraction. "We were looking for a new experience that had quick throughput and complemented our current collection of attractions," explained Wilson. "We were presented with several ideas and felt the Constrictor was new and fresh."

The slide has proven popular with park guests. The queue was completely full during my visit, yet the wait was only about 25 minutes, and lifeguards were vigilant about splashing water on patrons waiting in line to keep them (and the concrete) cool in the 100+ degree heat.

Constrictor was added on to a pre-existing mat-racer slide tower, and expands the park further East, where Wet n Wild Phoenix hopes to continue growing and bringing new thrilling attractions to their guests.



Constrictor is a major addition to Wet n Wild Phoenix's growing park footprint.  
Photo by Martin Palicki.

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# do as i say and as i do

bill nye's climate laboratory: the exhibition that practices what it teaches

by Pat Friedlander

Probably some of the most effective change agents for behavior modification are kids. Kids are relentless in pushing adults into consciousness of good habits, and building awareness of the small changes that can have a positive impact on climate change is a fertile breeding ground for new good habits.

That was part of Bill Nye's thinking when he conceived his "Climate Laboratory" at the Chabot Space & Science Center in Oakland CA. Emmy-award-winning Billy Nye the Climate Guy is the commander of the Clean Energy Space Station. Visitors journey from space to Earth to join Bill as Climate Scouts on an urgent mission to thwart climate change. The goal of the exhibition, geared toward elementary school children and their families

as well as teachers, is to increase climate change science literacy. In promoting small changes that will add up to a collective impact on the way we live in the world, the 4100 sq. ft. exhibit teaches visitors about clean energy sources, encourages thinking about how we design the built landscape we live in, and focuses on solutions and innovations that will change the status quo. The exhibition is organized around five content areas: air, water, land transportation and green design and building, with approximately 30 interactive and multimedia stations.

## The Exhibition that Walks the Walk

An interesting feature about this exhibit, which also incorporates RFID and an interactive

website that allows visitors to extend their experience beyond the time spent in the actual museum, is that the fabricators of the museum, General Graphics Exhibits (GGE) in San Francisco, had to make their own choices of materials that were consistent with the goal of the museum, illustrating that in our homes, our workplaces, schools—and museums!—we can all make similar choices.

Because manufacturing new materials uses a lot of energy and raw materials, the byproducts of the process can be harmful to the environment. Roughly 98% of the Climate Laboratory can be recycled, so that at the end of its life, the aluminum, steel, wood, and carpet can be part of something new. The carpet tiles, for example, use 40% recycled content culled



**This portion of the exhibit explains the production of biofuels, explaining the whole process—from harvesting biofuel material to turning it into fuels. Photo courtesy of Chabot Space & Science Center.**





**This is a life-sized replica of the Alvin submersible used in deep sea exploration.** *This exhibit discusses the impact of global warming and climate change on the oceans. An interactive graph shows ocean currents and the jet stream. As the oceans warm, the currents slow down, eventually, to a dead stop, and life ends on the planet. Photo courtesy of Chabot Space & Science Center.*

from other installations at Chabot. By reusing existing materials, there is both energy savings and a reduction in waste and pollution. Actually, some of the aluminum, steel and wood in the exhibit came from GGE's scrap bins and other local scrap suppliers.

Another climate friendly initiative that marked the fabrication and installation of the museum was buying locally, since moving materials over long distances by truck, plane or ship results in CO2 emissions and other pollution. The majority of the materials used were manufactured in the U.S., and the structural woods (plywood and fir) came from West Coast sources. Other materials in this exhibit were manufactured from industrial waste or scrap, cutting the demand for raw materials and solving garbage problems. For example, the exhibit uses wheatboard manufactured from wheat straw, a rapidly renewable resource that is considered a waste product.

Finishes, paints, and sealants can be highly toxic, so GGE chose options that have the least possible amount of volatile organic compounds (VOCs), avoiding those that are bad for human health as well as the overall environment. For example, Marmoleum which is made from 100% natural ingredients (linseed

oil, cork, limestone, tree resin and minerals) was used for flooring and surface finishing

The wood used in the exhibit is Forest Stewardship Council (FSC) certified, which means that the wood comes from sustainably managed forests. There are a number of organizations that provide 'green' certification to help identify sustainable materials. The FSC tracks the provenance of the wood all the way from the forest to the supplier.

And finally, because the exhibit itself uses energy, the computers, monitors and lighting are all Energy Star-rated and energy efficient. Much of the exhibit is lit with Light Emitting Diode (LED) lighting; LED lights are extremely efficient; they draw very little power and give off very little heat.

In addition to GGE's fabrication and installation work, the exhibition was designed by Amaze Design, an interpretive planning and museum exhibition design firm. Proximity Lab designed the user interaction and application development for the exhibition web site, which prolongs the entire experience and education process. LongWave Consulting Partners contributed expertise in developing multimedia experiences and RFID technology.



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# of slides and sleeping

tough times, bright future in the water park hotel/resort industry

by Dan Martin

2011 may be the lightest year for waterpark hotels in more than a dozen years. Only two indoor waterpark hotels were opened – one large and one small – while six southern properties added outdoor waterpark features to their properties. The high water mark was 2007 when over 30 waterpark hotels opened.

## Before the Recession

Just a couple of years ago, the waterpark hotel market was rapidly expanding across the US. Well over a hundred independent properties were built while six players with bigger ambitions – Great Wolf Lodge, Kalahari Resorts, Wilderness, Sage Hospitality, Schlitterbahn, and Focus Hospitality -- had begun moving on bold expansion plans.

Before the recession, Great Wolf Lodges had five new properties in the pipeline to add to its 12 existing properties. Kalahari Resorts was adding its third mega-resort near Washington, DC to its inventory of existing properties in Sandusky, OH and the Wisconsin Dells. Wilderness had been successful in Pigeon Forge, TN and was adding even more rooms across the Wisconsin Dells property that just kept growing, while planning a Pigeon Forge expansion.

Sage had a dozen Coco Key indoor waterparks

that it had added to its stock of generally underperforming metro area hotels from Omaha to Boston with plans for a total of 17 to 20 properties altogether. Focus had two successful properties in Shipshewana, IN and Dundee, MI with plans for more.

Schlitterbahn, the Texas waterpark giant – with three strong outdoor parks– had plans for waterpark hotels in Kansas City, KS and Austin, TX. Their New Braunfels, TX flagship outdoor property was just named best waterpark in the world for the 14th year in a row and already was a waterpark hotel, and they owned many small lodging properties in the vicinity.

Dozens of single location independent players planned on cloning their location into a brand.

## As the Recession Crept in

By the time the recession arrived, the market leaders had honed their concepts to maturity.

Kalahari Resorts had giant properties and indoor waterparks to match. They prospered in the meetings market with substantial convention centers and properties themed with broad age appeal. Large waterparks allowed them to pack in an array of rides and target an all-ages market. The number

of visitors at any time was large enough to support an array of restaurants.

Great Wolf added the addictive Magicquest game on site while taking service, theming and programming to Disney heights. Their target was clearly younger than Kalahari Resort. At between 300 to 400 rooms they were less than half the size of the Kalahari Resorts. Going public and taking on partners gave them the capital to spread a new design quickly to the East, and to Texas and Seattle.

The Wilderness' home property sprawled in every direction but a new one in the Smokies was a tight package. They offered a lot of indoor waterpark space, stayed with the idea of having an outdoor waterpark too and offered a diverse set of accommodations from basic rooms to deluxe cabins and condos. In the Dells they teamed with others to build the nationally recognized Sundara spa.

While both Sage and Focus were experienced hospitality companies with many non-waterpark properties to their credit, they took different paths. Focus did new-construction properties with their Splash Universe brand in small family destination markets without competition, while Sage, with capital from partners, moved quickly and bolted



The waterpark at the Blue Harbor Resort in Sheboygan, Wisconsin shortly after its opening. File photo from InPark Magazine.



waterpark boxes on to a varied package of underperforming suburban metro area hotels. Their target was raising revenue on weekends.

### The Recession Hit Hard

The twin terrors of dropping ADRs (average daily rate) and occupancy hit the hotel industry broadly as occupancy dropped 20%. Waterpark hotels felt the pinch in different ways. Some destinations did okay; they were close enough to metro areas that they became the substitute for a trip to Florida. But price competition drove rates down for most. Independent waterpark properties across the country suffered most. The ones in metro areas didn't offer enough of a getaway feel. The impact was considerable. The most heavily themed properties, including Great Wolf, delivered on that feel and suffered less. Great Wolf occupancy reportedly dropped by only 5%.

Large, well designed and equipped indoor waterparks held onto rates and occupancy better than thinly themed and equipped properties. The smaller, less amenitized, first generation Great Wolf Lodges suffered along with many independents. Facilities with broader age appeal could target a broader range of families. Facilities that could afford them added dry play areas such as indoor amusement areas (on the scale of old pier beach casinos on the coast) as they were less expensive than new water features, generated income, and weren't just more water. This was a very popular move in the Wisconsin Dells but easier to do in locations like the Dells or Gatlinburg which draw millions of visitors in addition to a property's guests.

Some failing properties tossed the keys to lenders as revenue dropped and their actual property value dropped below loan values – mirroring the housing market and echoing the fate of early generations of waterpark hotels in the Dells whose value was plowed under when the first Great Wolf Lodge, Kalahari Resort, Wilderness and others were built.

Across the hotel industry properties became cheaper to buy than build, but it seemed worse for some waterpark hotels where the indoor waterpark was seen by some as an operating albatross. As property values plunged, the loan to value ratios shifted. If

value dropped below the loan, you could only hang on if you had the deep pockets or the cash flow. If not, the property was sold to someone else for substantially lower current market value, or simply closed. Dozens of individual properties across the US went through this. The result is that the fleet of waterpark hotels across the US is now a bit smaller – but more importantly, the total value of the industry's assets got a buzz cut.

### Sage Hospitality Leaves the Category

Of the market leaders, Sage was hit the hardest, but in its downfall taught the industry a lot. Before the recession it had been criticized for an operations approach that ran the hotels and waterparks separately. Add the dual identity – business and leisure hotels all-in-one plus the cost of branding with a flag, and the result was unusually high cost. The need to be a business hotel through the week meant the hotel itself wasn't themed – there wasn't a true overall experience and welcome feel for families. The indoor waterparks themselves were not very highly regarded as experiences. As was the case with many independents, they seemed to be value engineered too much. Also challenging: each property had already been an underperforming business hotel and many weekday business travelers could sense that occupancies were low.

Sage Hospitality, which still successfully operates about 60 hotels without waterparks in 26 states, got out of the waterpark hotel business. Eleven properties were sold. One, a Chicago area Sheraton, sold for an astonishing \$7.7 million – under \$18,000 per room. By contrast, two other sales by Sage over the last year of hotels without waterparks demonstrate how outrageously low this figure was. The two Denver area properties Sage sold were a Marriott Courtyard for approximately \$260,000 per room and a JW Marriott for \$370,000 a room – many times more per room than they received for their waterpark properties.

Sage's other ten waterpark properties, scattered across seven states, were also sold at shocking discounts. The adjacent Fairfield Inn North Cincinnati and Crowne Plaza North properties, which share a Coco Key waterpark, received winning bids of \$1.8 million and \$2.2 million, respectively. Even now, a single family house in many parts of

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California sells for more. A third Ohio property, a 200-room conference and waterpark hotel went for \$4.97 million or \$24,500 a room. A fall 2010 recession-era appraisal had valued the property months earlier at \$36 million.

It's hard to miss the conclusion that the addition of the indoor waterparks to these properties may have lowered their value. Still, the most successful asset in the sale - the Coco Key brand - survived, still used by the buyers of the properties that are still open.

### Other Market Leaders Survive

Focus took some hits but has, thus far, made it through with its two properties. This is true of Wilderness as well. Their astonishing sprawl of properties in the Dells continued to grow through the recession and the Wilderness in Pigeon Forge, TN is generally regarded as a success, breaking the barrier for what had been presumably lower-yield Southern family destination markets like Pigeon Forge, Myrtle Beach, Branson, the Florida Panhandle and others.

Kalahari Resorts, on the verge of a well-conceived development deal in Fredericksburg, VA, was caught in the revolving door of the recession. This was a breakthrough deal for them in many ways as it was more sophisticated in several key areas. It was a public-private venture with a lot of community support. The approach to

financing was new for them too. Instead of the farmer's approach of selling a crop (in this case - a crop of condos) to finance the next round of work, this deal had a more sophisticated financing package with a major lender. The design was also a notch above what they had done previously.

Kalahari Resorts wants to try this model again and most likely will when capital flows. The recession has given them time to work out operational wrinkles and become more like the Gaylord hotel chain (enormous meeting-driven properties in Grapevine, TX, Washington, DC, Orlando, FL and the original in Nashville.) Gaylord has become more like Kalahari Resorts with its new outdoor waterpark features at the Texan in Grapevine (a stone's throw from a successful Great Wolf).

If Kalahari Resorts is successful with a third property, they will have the scale to support a full development team that can move on to develop additional properties or convert flagging resorts into Kalahari Resorts. They are less likely to switch to the business model that Great Wolf has chosen as the much larger Kalahari Resort model will not be as easy to franchise.

Schlitterbahn is still planning an entrance into the fray. They've been building an outdoor park in Kansas City in stages over several years.

Designed to include a very large hotel and an indoor/outdoor waterpark, the waterpark has done better every year. Back in Texas, Schlitterbahn is still looking for the right deal in Austin is likely to do an outdoor waterpark project with lodging on North Padre Island near Corpus Christi, and just purchased the hotel adjacent to the South Padre Island property with plans to renovate and add to the existing waterpark. The group is renowned for its creativity and just debuted a set of one-of-a-kind treehouse cabins at the flagship in New Braunfels, TX that they hope to roll into all of their locations as premium lodging.

Great Wolf Lodge emerged with its portfolio intact at 11 units but without its development division. The company sold a waterpark hotel property it had developed as a second brand for a fraction of its development cost - The Blue Harbor on Lake Michigan in the unlikely destination of Sheboygan, WI. It reportedly sold for \$4.2 million. Great Wolf also reportedly has a negative loan to value ratio on at least two of its older properties. This year the company reportedly will emerge with their highest EBITDA ever.

What saved Great Wolf Lodge was smart strategy. Doubling down on the branding reaped benefits, but what mattered the most was that they had rolled out a smarter new prototype just before the recession. First used in



**The entrance to the Great Wolf Lodge near King's Island in Ohio. On page 14, the waterpark for this Great Wolf Lodge features a hydro-magnetics coaster slide from ProSlide. File photos from InPark Magazine.**



Tannersville, PA, then Concord, NC, Grapevine, TX, and Grand Mound, WA, the prototype featured better and larger waterparks, more rooms, and more ways to play at the property. Great Wolf began a successful foray into the meetings and events business, forged an alliance with a national cheerleaders group to do events at their properties, and slimmed down headquarters staff while keeping nearly all disciplines in house except the one that got them to the top: they jettisoned their development capabilities and converted to a franchise and operating business model.

Overall, Great Wolf struck a new corporate balance. The challenge with centrally run hospitality and entertainment companies with dispersed assets is to centralize rationally so that the cost of headquarters and operations are less than any franchise fee. They appear to have met that challenge.

Today, Great Wolf Lodge still has expansion plans but, as others must do, their success rests on how well they can find and persuade developers to build properties for them. As the most sophisticated brand in the pack and a successful hotel and waterpark operator, they have a product to sell and have already set their sights on working with developers in several states, including projects in California and reportedly a site near Pittsburgh. Their existing portfolio originally focused on family destinations now it succeeds wherever they can effectively serve a top-20 metro area. Once dependent on family destinations to draw customers, Great Wolf is now the magnet.

Great Wolf Lodge's franchise/operator approach means that they've turned the steering wheel over to prospective developers. While the prospective developer will rely on Great Wolf Lodge for market advice – driving directions – the developers will go where they're comfortable developing. When they build, the sources of financing will want large exclusionary zones around their new investment. This may direct where Great Wolf Lodges will be built in the future.

Because a Great Wolf Lodge hotel and indoor waterpark today can cost \$150 to \$200 million, the company will have to persuade developers that they are smarter than the more fungible Sheraton or Hilton. Here, Great Wolf Lodges has an argument: The US is full of large major brands competing with one another. Almost

all new large hotel construction starts are overseas. But to overcome the development cost hurdle, Great Wolf may be open to the prospect of rebranding an existing hotel. They're smart enough not to fail with this approach as Sage did and would bring their brand. Ironically, raising capital is no longer their problem under the new business model, but partnering with developers can be key. Great Wolf Lodge remains the biggest name in the business and hopes to add several properties a year moving forward.

### Looking For Money

Financing new hotels is easier than for most other types of commercial real estate properties. However, financing most other property types is nearly impossible. Financial sources would prefer more typical franchised facilities like Hampton Inn over waterpark hotels. There are 1,800 Hamptons and their performance is pretty well known in advance.

Since the waterpark hotel has a foot in the hospitality and entertainment world it is a step behind all other hotels. Financing a great pool and slide package addition to an existing branded hotel in a southern tier state from California to the Carolinas will be easier than financing a new waterpark hotel from the ground up. Notwithstanding the Sage story, which many lenders may never be aware of, adding this package would be seen as adding revenue-enhancing amenities to a hotel that already has a cash flow – not building a waterpark hotel.

The larger market leaders have a different problem -- the price tag for developing new properties has gotten quite high. A new Great Wolf could cost \$200 million and a Kalahari even more.

Public partnership in hotel financing is one possibility. Communities will issue public bonds to facilitate new projects that serve local economic development goals. This arrangement has been going on for decades. Large new Hiltons, Marriotts, Westins and others have been built to support publicly-owned convention centers across the US. The demand for these large properties is typically not strong enough throughout the year, but a lot of short-term capacity is needed when the radiologists or, in our world, IAAPA, WWA, or AZA come to town. Unfortunately, some of these properties have been financed this

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way because it “was possible” not because they were truly needed.

Some well known waterpark hotel and waterpark properties already have been financed or had their development supported this way. Schlitterbahn in Kansas City was enticed, in part, by favorable STAR bonds issued in Kansas. Kalahari’s Fredericksburg (Washington, DC area) development would also have been built with tremendous local support. The development that included a Great Wolf Lodge across the interstate had similar support. The Denver based developer of the new Great Wolf in Garden Grove, CA is relying on a substantial bond sale by the local government there to help build the large property on a small site near Disneyland. The small site requires a parking structure that would not be economical without public support.

This approach to financing may distort the marketplace where new waterpark hotels are built. Large new waterpark hotels will need to guard against going to communities or sites that might not be the best locations for business but are selected because they can get the public financing there. Communities eager to do the deal or are fiscally capable of it are not necessarily the best places to build a new attraction.

Great Wolf Lodge’s unsuccessful Blue Harbor project development in Sheboygan (mentioned previously) may be an example of this. The waterpark hotel was to be a key part of the redevelopment of an industrial area on the shore of Lake Michigan and along a cleaned-up river. Although the effort was spearheaded

by a local economic development group that worked the deal several ways to make it very favorable for Great Wolf Lodge, it wasn’t enough. No one in the market took Sheboygan seriously as a destination when source markets like Milwaukee, Madison, and Chicago could choose the Wisconsin Dells as easily.

In these ways the larger waterpark hotels have become increasingly like other large mainstream properties – it also opens more metro areas with the possibility of public financing to the large waterpark hotel players. Kalahari’s bid to go to metro Washington DC would have taken it to a very different location than its earlier family resort destinations in rural areas like the Wisconsin Dells and Sandusky, OH. If the meeting facility that would have been a part of Kalahari’s property would have been owned by the public sector, the deal would have been a new version of the large convention center hotel deals done in dozens of places across the US – but this time with a property that can fill rooms when the convention center is dark.

Using condo sales to finance development has been how most waterpark hotels have expanded over time, but the pool of potential buyers – and their ability to get financing themselves – has shrunk. Additionally, this approach is limited to family destination areas.

## Looking Ahead

The waterpark hotel/resort industry is now thrifter and wiser. It has lost a number of smaller players and one large player, although most of its properties remain. Key players continue to sift through the evidence to see what happened and what can be learned.

The next few years will see more Great Wolf Lodges, Schlitterbahn’s entry and probably another property from each of Kalahari Resorts, Wilderness, and Focus. Ski resorts near metro areas or in summer tourism areas have begun to reconsider the idea too.

The largest new market is the southern half of the US from the Carolinas to California. Texas will be a market to watch. Wilderness has done well enough in Pigeon Forge, TN to get attention for its southern strategy. Existing, but generally smaller southern properties are already adding small outdoor parks. They should read the Sage case study first, but there is a development cost difference. Most of this action will be existing properties adding less-expensive “starter” outdoor-only waterparks. But even considering the Sage story, they would be wise to hold aside a spot for an 80,000 square-foot air-conditioned indoor waterpark for when they can afford it and need to make a move on their competition. An indoor waterpark could work well in Arizona where summer temps can stay over 100 degrees for months. Dallas had record temps last summer but Houston and Atlanta summers are also characterized by uncomfortable hot humid summers. The five million people of DFW, six million in Houston, and the five-and-a-half million in Atlanta might be very interested in this type of property. In general, the sweet spot appears to be lower to middle market.

At the top of the market waterpark hotel is not a new idea. The enormous Gaylord Texan near Dallas just added one. Also in Texas, two upscale Hyatt resorts and a JW Marriott in the hills around San Antonio have extensive outdoor waterpark features but have been less successful than expected. But in the capital of higher-than-100-degree-days -- Phoenix/Scottsdale, AZ -- several successful upscale resort properties have extensive outdoor waterpark features.

Overall, there are still plenty of places for some version of the idea to go, but to do that, capital must flow. To realize its potential, the waterpark hotels industry still needs more capacity in development skills, and people that realize that they are in the entertainment industry as well as hospitality.

*Dan Martin is the Managing Principal of Market & Feasibility Advisors, Chicago, Austin, and Los Angeles. He and his colleagues have had the honor of working with great minds at Kalahari Resorts, Great Wolf Lodge, Schlitterbahn and others.*



# fun outside the parks

the orlando fun partners provide big entertainment  
without big names

by Kimberly Rily

*The IAAPA Attractions Expo heads to Orlando in just over a month. While most people associate the city with the major theme parks that live there, a variety of other attractions also provide entertainment and value for guests. InPark's Mitch and Kim Rily take a tour of these lesser known Orlando attractions.*

When one talks about vacationing in Orlando, Florida, a couple of big parks almost automatically come into mind. Although these giants are a huge draw to get visitors to Orlando, there are plenty of other things to do in Orlando, "The City Beautiful". And while one might think that the smaller entertainment companies might fight against one another to rake in business, it makes more sense to the Orlando Fun Partners to collaborate in their marketing and rally together, so they aren't overshadowed by their big brothers.

The businesses that make up Orlando Fun Partners are: Fun Spot Action Park, Boggy Creek Airboat Rides, Howl at the Moon, iFly Indoor Skydiving, Orlando Balloon Rides, Titanic the Experience, Revolution, the Off Road Experience, Florida EcoSafaris, Pirate's Dinner Adventure, Treasure Tavern, Pirate's Cove Adventure Golf, Oerther Foods McDonald's, Ripley's Believe It or Not (Orlando) and the Kennedy Space Center Visitor Complex. There

are educational venues, restaurants, high-adventure experiences, animal parks, and family-friendly game locations.

The owners of these companies came up with the idea of Fun Partners in their after-hours off time. On Fridays after work, the owners would meet socially, where the idea was "born on a bar napkin" says Fun Spot Action Park owner, Mark Brisson. In 1999, they came up with the idea of having "hospitality days" and inviting those from the guest service industry come visit them. All twelve attractions get the chance to participate and they have four parties each year in order to build goodwill and word-of-mouth.

The Orlando Fun Partners mission is to "increase the awareness and volume of business realized by its member attractions. That mission is served by creating events, promotions and various marketing activities targeting the guest service/hospitality front line segments of the Central Florida market." So in order to create more revenue, these joint companies are working to make themselves well known to hospitality and guest service people all over Central Florida. They also provide "massive discounts" to those who have a membership card.

Of course, in order for their marketing to be successful, these locations also have to be viable attractions. Each location must be a success in its own right, with the group attachment enhancing its attendance and publicity. Brisson also quoted the aphorism, "A rising tide lifts all boats." And each partner in the group gets a say in whether or not new businesses get to join Orlando Fun Partners. The businesses endorse each other, so they have to know the other business is trustworthy as well as fun.

These partners do enhance one another's appeal. They state that the other companies are valuable, fun and reputable, and they each stand up for one another. Almost like a family, they help the other members thrive. And when small businesses are up against companies with worldwide appeal and billion-dollar marketing budgets, they need all the help they can get. In this time of economic uncertainty, it's heartening to hear of people and businesses supporting each other instead of fighting over every last dollar.

InPark Magazine reporters Mitch and Kimberly Rily had a chance to visit with several of the Orlando Fun Partners' attractions and built a whole trip around them. The Orlando Fun Partners were eager to not only help InPark plan a full-fledged vacation, but they were also eager in promoting each other.

Since Nick Romeo at iFly was so helpful to us, we visited iFly Indoor Skydiving first. Kimberly, who had gone skydiving before out of an actual plane, wanted to see how it compared to the real thing. And while she might not have let her 4-year-old daughter, Samantha, jump out of a plane, the ladies were both willing and eager to experience the feel of flying in air-tunnel. The instructor, Chris, was very helpful in giving a few instructions, and in less than half an hour, an adult and a four-year-old were taking turns flying around the air tunnel, rising ten to twelve feet off the ground, their cheeks and hair flapping in the breeze. And while the two smiled and gave thumbs up to others watching outside, real life sky-divers were practicing their moves and tricks in the tunnel as well.

After that, the family headed over to the nearby Oerther Foods McDonald's. Toted as the "world's biggest McDonald's," it is much more than your usual fast food stop. While this



**Kim and daughter Samantha prepare to skydive indoors. Photo courtesy of Mitch Rily.**

McDonald's has the tried and true menu items, they also have gourmet fare available inside. And the 1980's Mac Tonight, along with classic McDonald's characters grace the inside of the two-story building. Upstairs, Birdie flies above the kid's play area and modern arcade games such as Guitar Hero cover the floor. More than your run-of-the-mill McDonald's, it's a great place to stop at for more than a quick meal.

The next day, Kim and Mitch were off to Boggy Creek Airboat Rides. This place is sort of an anti-theme park. Instead of artificial themeing, make-believe cartoon characters and boats that only stay on tracks, everything here is real. Instead of trying to look like the real thing, this is the real thing. Kim and Mitch took a boat out just for the family, sped around the water, watching birds "run" over the water and even saw a sleeping alligator. The tour guide reassured the children that the alligators don't even eat in the winter months. They just try to find somewhere to stay warm and expend as little energy as possible. After returning to the boathouse, a gentleman brought a baby alligator over for the family to pet and take a picture with.

Later that day, the family went off to Fun Spot Orlando, where they spent an awesome afternoon with the park practically to themselves (winter is a great off-peak time to visit vacation spots everywhere). The wristbands let them ride everything, and there was little the kids couldn't go on. They spent hours on swings, bouncers, carousels, fast-slides, bumper boats and the giant Ferris wheel that reads "Fun Spot". The four go-kart racetracks were fun for both the grown-ups and the kids. Extra padding made the cars safe for the children, and they sped around again and again! Fun Spot Orlando is like a year-round carnival. It was great fun.

Later that night, Kimberly and Mitch went out to Treasure Tavern for a grown-up's night out. With good drinks, a fun show with horrible puns and innuendo, a steak dinner with an upgrade to Filet Mignon, it was a great way to spend time away from the kids (who were left with a babysitter). Treasure Tavern, a strictly adult-themed show, is located in the same building as Pirate's Dinner Adventure, which is also a member of Orlando Fun Parks.

It was an early wake-up call the next morning for a trip to Orlando Balloon Rides before sunrise. A highlight of the weekend, 13 people headed

into the sky above Orlando at 6:00 a.m., carried only by the wind. The balloon provided views of Florida landmarks, miles and miles away. And when they landed smaller passengers picked wild oranges while the adults pitched in deflating the balloon. The kids even got to help by walking on top of the silk. All the passengers, who started out as strangers and ended up as friends, ate breakfast together at the Ramada that they had departed from earlier. Everyone left tired, satiated and happy. Later that afternoon, after lunch and a nap, the group headed over to Ripley's Believe It or Not to hear tales and see models of strange things from around the globe. While some of the stories were the kind to turn one's stomach,

others were cute, interesting, amazing, and ended with a fun walk through a spinning tube.

Along with a great place to stay, these Orlando Fun Partner member companies made for a great vacation. While those bigger parks are fun, they also have their drawbacks that can hit the pocketbook hard. There's no reason why a family (or a group of friends) can't go on vacation without spending big bucks. The smaller attractions, often unduly overshadowed by their big brothers, are just as fun, just as memorable, and can create a vacation that really sticks out as being different from the ordinary.



**Fun Spot Orlando provides thrilling and family rides to entertain the whole family. Photo courtesy of Mitch Rily.**

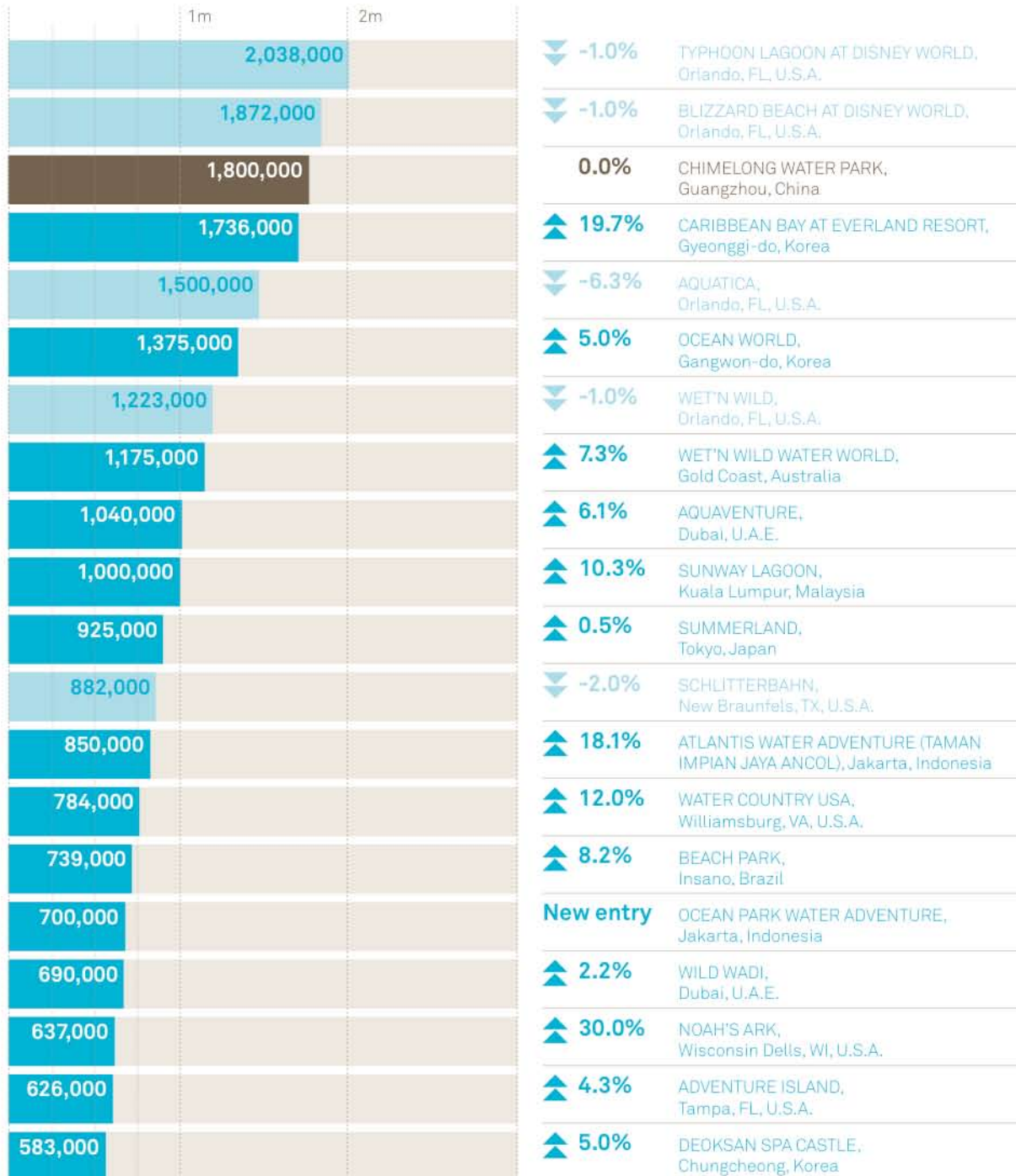




# 2010 THEME INDEX

**waterpark numbers excerpt**

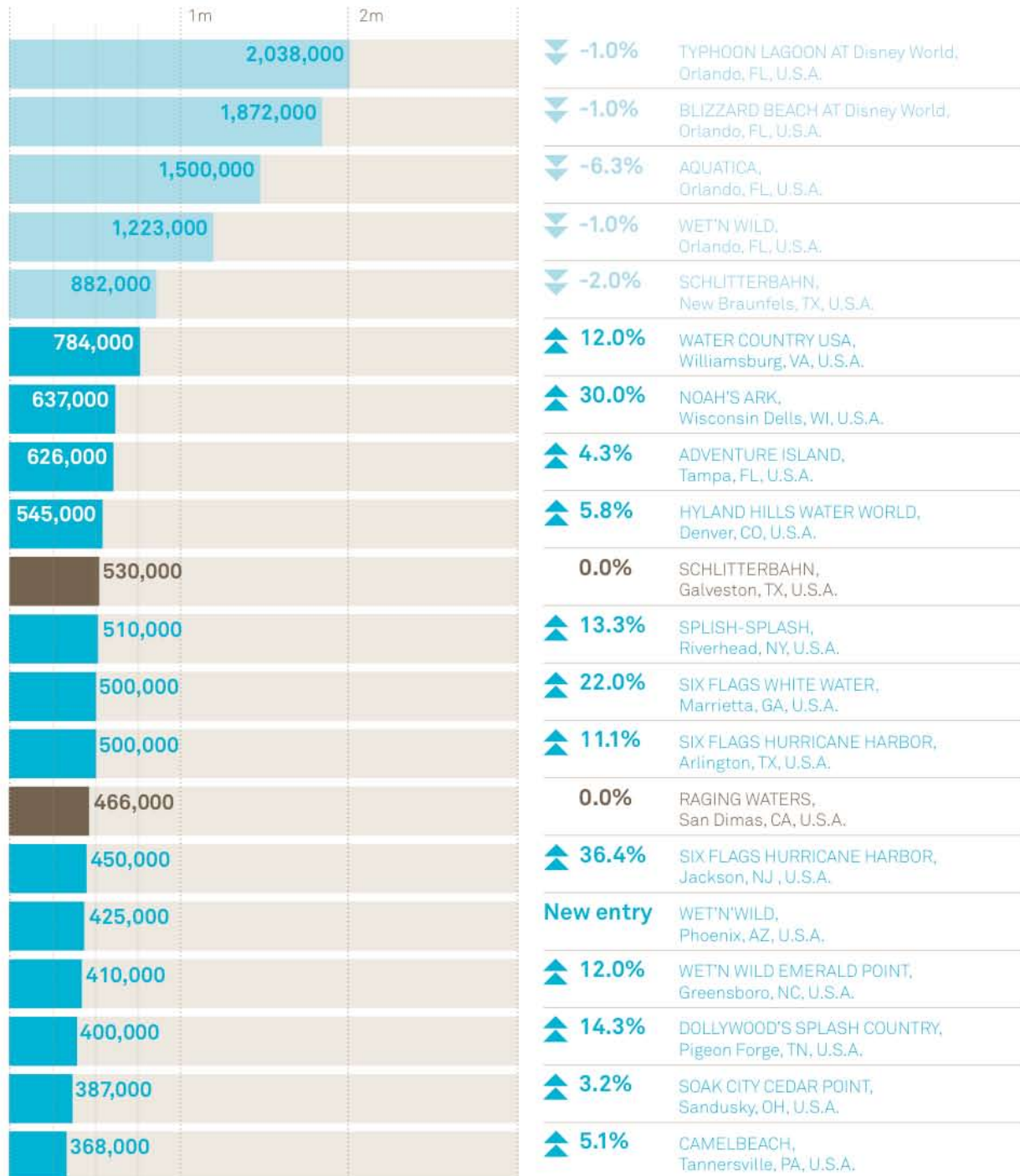
## Top 20 waterparks worldwide



Percent changes for 2010 for certain parks are based on adjusted/updated figures for 2009, thus not directly comparable to published TEA/AECOM list for 2009/08.



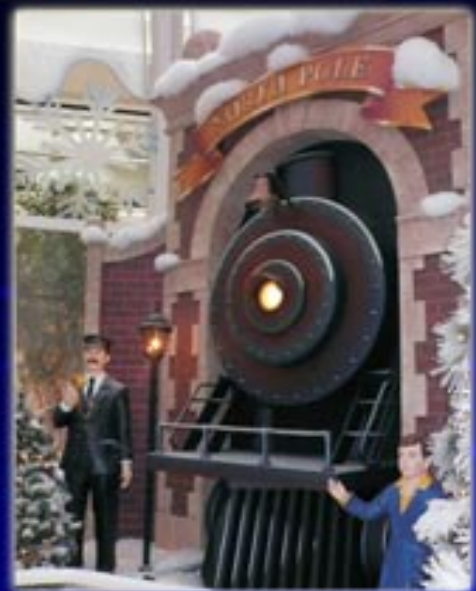
## Top 20 waterparks in the United States



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